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TAGS OVIP (STEINBERG, JAMES B.), PREL, MNUC, ECON, SN, CH,
KN

SUBJECT: DEPUTY SECRETARY STEINBERG'S MAY 30, 2009

CONVERSATION WITH SINGAPORE MINISTER MENTOR LEE KUAN YEW

Classified By: Charge d'Affaires Daniel L. Shields. Reason 1.4 (b) and (d).

1. (SBU) May 30, 2009; 6:30 p.m.; The Presidential Palace; Singapore.

2. (SBU) Participants:

United States

The Deputy Secretary Glyn T. Davies, EAP Acting Assistant Secretary Daniel L. Shields, CDA (Notetaker)

SINGAPORE

Minister Mentor (MM) Lee Kuan Yew Chee Hong Tat, Principal Private Secretary to MM Cheryl Lee, Country Officer, Americas Directorate, MFA

13. (S) SUMMARY: Deputy Secretary Steinberg used his meeting with Minister Mentor Lee Kuan Yew to stress the importance of Chinese cooperation China and North Korea

14. (S) Deputy Secretary Steinberg met with Singapore Minister Mentor Lee Kuan Yew on May 30 on the margins of the Shangri-La Dialogue, the annual

15. (S) MM Lee said he asked Deputy Chief of the People's Liberation Army (PLA) General Staff Ma Xiaotian what China can do about North Korea.

16. (S) The Deputy Secretary noted that North Korea's decisions will have an impact in Japan. MM Lee said he believes Japan may well "go nuclear"

17. (S) MM Lee said he wishes the USG well in its efforts on North Korea, but he would be surprised if the North Koreans agree to give up nuclear weapons

18. (S) MM Lee said the ROK, after seeing what had happened with German unification, does not want immediate unification with the DPRK. There is a strong Chinese Economy

19. (C) Regarding the Chinese economy, MM Lee said the global economic crisis has hit many countries, but the feel on the ground differs considerably

10. (C) MM Lee stated that in the absence of a social safety net in China, the Chinese savings rate is 55 percent, exceeding even Singapore's savings rate

11. (C) The Deputy Secretary asked MM Lee for his assessment of Taiwan. MM Lee said former President Chen Shui-bian had left Taiwan in a weak position

12. (C) In this context, MM Lee said, Hu could live with Ma's positions on the '92 consensus and on not addressing the reunification issue during his visit

13. (C) MM Lee stated that the alternative is Mainland investment in Taiwan stocks and property. The Mainland has already assured Hong Kong that it will protect the rights of Hong Kong residents

Xi Jinping

14. (C) The Deputy Secretary asked if in the future a leader like Xi Jinping would continue the policies on Taiwan followed by Hu Jintao. MM Lee said he would

Wang Qishan

15. (C) MM Lee said Vice Premier Wang Qishan, whom the MM saw in connection with celebrations in May of the 15th anniversary of Singapore-China relations

China's Rise

16. (C) MM Lee said China is following an approach consistent with ideas in the Chinese television series "The Rise of Great Powers." The mist

17. (C) MM Lee said China will not reach the American level in terms of military capabilities any time soon, but is rapidly developing asymmetric capabilities

Build Ties with Young Chinese

18. (C) MM Lee said the best course for the United States on China is to build ties with China's young people. China's best and brightest want to see the US

19. (U) The Deputy Secretary has cleared this message.

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